
ORDER GRANTING PETITION TO
TERMINATE BAR AND CONSENTING TO
ASSOCIATION WITH A REGISTERED
PUBLIC ACCOUNTING FIRM

In the Matter of Ted A. Madsen, CPA

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) PCAOB Release No. 105-2017-048
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) December 19, 2017
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On January 15, 2015, the Public Company Accounting Oversight Board ("Board" or "PCAOB") issued an order instituting disciplinary proceedings, making findings and imposing sanctions that barred Ted A. Madsen, CPA ("Madsen") from being an associated person of a registered public accounting firm.¹ Madsen was permitted, pursuant to the order, to petition for Board consent to associate with a registered public accounting firm after two years from the date of the order. Madsen has filed a petition to terminate the bar and for Board consent to associate with Madsen & Associates CPA's, Inc. ("M&A"), a public accounting firm registered with the Board pursuant to Section 102 of the Sarbanes-Oxley Act of 2002, as amended, and PCAOB Rules. By this Order, the Board is granting Madsen's petition.

In the order imposing sanctions against Madsen, the Board found that M&A, a registered public accounting firm, violated PCAOB rules and standards, as well as Section 10A(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and Exchange Act Rule 10A-2, concerning a failure to comply with PCAOB rules and auditing standards in connection with the audit of the financial statements of two issuers. Specifically, Madsen and M&A hired Hong Kong-based engagement team members who performed most of the audit work, but Madsen failed to properly supervise the work of those engagement team members and to review their work to determine its proper performance. Madsen consented to the entry of the Order without admitting or denying the findings in it, except as to the Board's jurisdiction over him and the subject matter of the proceedings, which he admitted.

PCAOB Rule 5302(b) governs petitions to terminate a bar from being an associated person of a registered public accounting firm. Such petitions must be

¹ *In the Matter of Madsen & Associates CPAs, Inc., and Ted A. Madsen, CPA*, PCAOB Rel. No. 105-2015-002 (Jan. 15, 2015).

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supported by an affidavit addressing certain factors and include certain exhibits as specified in PCAOB Rule 5302(b)(2). PCAOB Rule 5302(b)(3) requires the petitioner to make a showing satisfactory for the Board to be able to determine that the proposed association would be consistent with the public interest. Such a determination depends on the petitioner's specific facts and circumstances.

On the basis of the information supplied and representations made relating to factors identified in PCAOB Rule 5302(b)(4), it appears that Madsen has met the requirements of PCAOB Rule 5302(b) and that he has complied with the January 15, 2015 order barring him from being an associated person of a registered public accounting firm. Moreover, nothing has come to the Board's attention that would be a basis for an adverse decision on Madsen's petition.

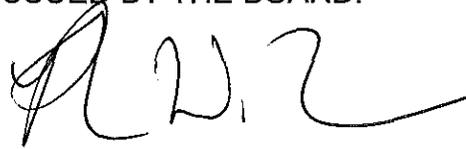
In view of the foregoing, the Board determines that the proposed association would be consistent with the public interest. Accordingly, it is hereby ORDERED that:

- A. The Board consents to Ted A. Madsen, CPA's association with M&A, a registered public accounting firm;
- B. The bar against Ted A. Madsen, CPA from being an associated person of a registered public accounting firm is hereby terminated; and
- C. Madsen agrees that, for the period of one year from the date the Board grants the Petition, Madsen undertakes:
 - i. that he will be supervised for all work performed that is subject to the jurisdiction of the Public Company Accounting Oversight Board, as set forth in Title I of the Sarbanes-Oxley Act of 2002, as amended;
 - ii. that his supervisors will include management of any registered firm for whom he will work, except that to the extent Madsen is doing work for issuers on behalf of M&A, he will supervised by David Madsen;
 - iii. that he will provide all supervisors with a copy of the Board order granting the petition to terminate the bar; and
 - iv. to certify in writing to the Director of the Division of Enforcement and Investigations, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, Madsen's

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compliance with the above undertakings. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. Madsen shall submit such certification within thirty (30) days of the close of the one-year period from the date the Board grants Madsen's petition to terminate the bar. During and after the one-year period from the date the Board grants Madsen's petition to terminate the bar, Madsen shall also submit such additional evidence of and information concerning compliance as the staff of the Division of Enforcement and Investigations may reasonably request.

ISSUED BY THE BOARD.



Phoebe W. Brown
Secretary

December 19, 2017